



## Commodity Credit Corporation

United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Services

Farm Service  
Agency

1400 Independence  
Ave, SW  
Stop 0514  
Washington, DC  
20250-0510

Dear Manufacturers and Importers:

March 23, 2005

You are receiving this letter from the U.S. Department of Agriculture's Commodity Credit Corporation (CCC) because you are a Department of the Treasury tobacco product manufacturer or importer permit holder. This letter explains your responsibilities under the Fair and Equitable Tobacco Reform Act of 2004 (2004 Act), including the process the CCC will use to collect Tobacco Transition Payment Program (TTPP) assessments. This letter also serves as an urgent reminder to submit the forms and data that were previously due.

In accordance with the 2004 Act, domestic manufacturers and importers of tobacco products fund the TTPP through assessments of approximately \$10 billion over a 10 year period. As specified in regulations issued on February 10, 2005, all domestic manufacturers and importers that have a Department of the Treasury permit to manufacture or import tobacco products were required to send CCC, by February 25, 2005, the documents listed below indicating the volume of tobacco and excise taxes paid from the beginning of October through the end of December 2004 for each of the six classes of tobacco. Each company is now required to submit these documents, covering October 2004 through March 2005, by April 20, 2005

For those manufacturers and importers that have failed to submit the required documents, the necessary documents are as follows [Alcohol and Tobacco Trade Bureau (TTB) and U.S. Customs and Border Protection (CBP)]:

- TTB Form 5000.24      Excise Tax Return
- TTB Form 5210.50      Report – Manufacturer of Tobacco Products or Cigarette Papers and Tubes
- TTB Form 5220.60      Monthly Report – Tobacco Products Importer
- TTB Form 5620.80      Claim – Alcohol, Tobacco, and Firearms Taxes
- CBP Form 7501          Importer Entry Summary
- Report of Tobacco Product Removals Subject to Tax (Enclosed)
- Signed Statement certifying that all the above information is accurate and complete

**Failure to provide this information by the due date will result in the imposition of a civil penalty of up to 2 percent of the value of the kind of tobacco products manufactured or imported during the fiscal year in which the violation occurred. You must submit your October 2004 through March 2005 data by April 20, 2005.**

Because a large number of domestic tobacco product manufacturers and importers have yet to send the necessary information, CCC is unable to compute each company's share of the class of tobacco manufactured or imported during October through December 2004. Following receipt of the required data from all companies, CCC will notify each manufacturer and importer as to their assessments based on their October through December 2004 market shares and their January through March 2005 market shares. We expect to send you this notice around June 1.

*Una versión de esta carta en español se puede encontrar en <http://www.fsa.usda.gov/tobacco/>*

In order to assist each company in summarizing the data mentioned above, CCC has created the enclosed worksheet entitled the "Report of Tobacco Product Removals Subject to Tax for the Tobacco Transition Payment Program Assessment". You must complete and send this spreadsheet, the forms, and the signed statement postmarked no later than April 20, 2005, to the address noted below. After this initial report, you will be required to submit the information for subsequent months electronically through a secure web based application called PAY.GOV by the 20<sup>th</sup> of each month for the business you conducted in the prior month, regardless of whether or not any transactions took place during that period.

Each quarter CCC will send you a notice of the amount of the assessment. CCC will send these notices on March 1, June 1, September 1, and December 1. Your assessment is due 30 days following each notification.

You will also be required to pay the assessment online using PAY.GOV. In order to use PAY.GOV, both for reporting purposes and for paying the assessments, it is imperative that you fill in the email field on the "Report of Tobacco Product Removals Subject to Tax" and email the company's contact information, including email, to [tobacco.assessment@usda.gov](mailto:tobacco.assessment@usda.gov). PAY.GOV needs this information in order to send each company its username and password to the secure website.

If your company does not have Internet access, contact the Tobacco Division at the following address to establish alternative methods for reporting and setting up alternative methods of payment:

United States Department of Agriculture (USDA)  
Farm Service Agency, Tobacco Division, STOP 0514  
1400 Independence Avenue, SW  
Washington, DC 20250-0514

If you need additional information, contact Jane Reed by phone at (202) 720-6782 or by e-mail at [tobacco.assessment@usda.gov](mailto:tobacco.assessment@usda.gov).

For the complete regulations concerning civil penalties and the calculation and collection of assessments, please read the February 10, 2005 publication of the Federal Register online at <http://www.fsa.usda.gov/tobacco/releases.htm#fedregs>.

We have placed a high priority on implementing this program as fairly and expeditiously as possible. Thank you again for your collaboration as we move forward into a new era for the tobacco community.

Sincerely,



John A. Johnson  
Deputy Administrator for Farm Programs

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